

PROPOSED PROVISION, DEPARTMENT OF AGRICULTURE,
1939

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A PROPOSED PROVISION AFFECTING AN EXISTING APPROPRIATION FOR THE DEPARTMENT OF AGRICULTURE, FOR THE FISCAL YEAR 1939, UNDER THE HEADING "INTERNATIONAL PRODUCTION CONTROL COMMITTEE."

FEBRUARY 16, 1939.—Referred to the Committee on Appropriation and ordered to be printed

THE WHITE HOUSE,
Washington, February 16, 1939.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit for the consideration of Congress a proposed provision affecting an existing appropriation for the Department of Agriculture, for the fiscal year 1939, under the heading "International Production Control Committees."

The details of this proposed provision, the necessity therefor, and the reason for its submission at this time are set forth in the letter of the Acting Director of the Bureau of the Budget, transmitted herewith, with whose observations and comments I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

BUREAU OF THE BUDGET,
Washington, February 15, 1939.

THE PRESIDENT,
The White House.

SIR: I have the honor to submit for your consideration a proposed provision affecting an existing appropriation for the Department of Agriculture, for the fiscal year 1939, as follows:

INTERNATIONAL PRODUCTION-CONTROL COMMITTEES

The limitation in the amount which the Secretary of Agriculture may expend for the objects specified under this heading in the Department of Agriculture

Appropriation Act, 1939, is hereby increased from \$17,500 to \$25,500, such additional amount to be payable from the appropriation for the fiscal year 1939 for carrying into effect the Sugar Act of 1937 (7 U. S. C., 1100-1183).

An international agreement for the regulation of production and marketing of sugar was signed for the Government of the United States by Hon. Norman H. Davis, at London, on May 6, 1937. This agreement, which became effective September 1, 1937, was approved by the Senate of the United States on December 20, 1937, and ratified by the President on March 22, 1938.

Contributions of each contracting government toward the expenses of administering the agreement are provided for by article 35 thereof, as follows:

The expenses of delegations to the Council and of the members of the Executive Committee shall be defrayed by their respective Governments. All other expenses necessary for the administration of the present Agreement, including those of the Secretariat, shall be met by annual contributions of the Contracting Governments made in such manner and at such times as the Council shall determine, and shall not, except with the express consent of all the Contracting Governments, exceed £12,500 in any year. The contribution of each Government shall be proportionate to the number of votes to which its delegation is entitled.

The fiscal year under this international sugar agreement ends on August 31. The contribution of the United States for the year ending August 31, 1938, has been paid under the authorization of and within the limitation of \$17,500 imposed by the Department of Agriculture Appropriation Act, 1939.

For the year ending August 31, 1939, the United States is obligated to contribute approximately \$8,000. Provision for this contribution is made in the regular 1940 Budget, and, in the ordinary course of events payment would be effected on July 1, 1939, when the 1940 appropriation becomes available. It has now developed that since the International Sugar Council, Executive Committee, and Secretariat are entirely dependent upon the contributions of the contracting governments for funds with which to meet current administrative and clerical salaries and expenses, their work is seriously crippled when payment of such contributions is deferred until near the end of the operating year.

The proposal herein submitted adds nothing to the cost of this cooperative project. Raising the limitation under the 1939 act from \$17,500 to \$25,500 would simply make possible the immediate payment of the \$8,000 contribution of the United States for the year ending August 31, 1939, which otherwise must be deferred until the 1940 appropriation becomes available.

The authorization and funds to be provided in the 1940 appropriation act would then be utilized to pay at the beginning of the agreement year, or September 1, 1939, the contribution of the United States for the year ending August 31, 1940, and similar advance payment would be made in each succeeding year within the life of the agreement.

The submission of the above-proposed provision is made necessary at this time by reason of a contingency which has arisen since the transmission of the budgets for the fiscal years 1939 and 1940. I recommend that it be transmitted to Congress.

Very respectfully,

F. J. BAILEY,
Executive Assistant,

(For and in the absence of the Acting Director).

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